

State of Rhode Island 457(b) Deferred Compensation Plan

Plan Description

State of Rhode Island is pleased to offer the **State of Rhode Island 457(b) Deferred Compensation Plan** (the "Plan") which was amended and restated as of July 3, 2017. The Plan is a nonqualified plan of deferred compensation that permits eligible employees to accumulate tax-deferred savings.

State of Rhode Island's 457(b) Plan at a Glance

| <i>FEATURES</i> | <i>457(b) PLAN PROVISION</i> |
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| Type of Plan | Governmental 457(b) Deferred Compensation Plan |
| Plan Administrator | State of Rhode Island |
| Eligibility | All Employees are eligible except for the following: Leased Employees Seasonal Employees Temporary Employees Independent Contractors |
| Enrollment | Voluntary |
| Maximum Annual Deferral | \$18,500 (in 2018) |
| Employer Matching Contributions | None provided |
| Employer Non-Elective Contributions | Not available |
| Special 3 Year Catch-up Contributions | Available |
| Age 50 Catch-up Contributions | Available |
| Vesting | 100% vested |
| Investment Sponsors | TIAA, Fidelity, Voya |
| Asset Transfers to the Plan from Prior Employer's Plan | Accepted |
| Loans | Not available |
| Unforeseen Emergency Withdrawals | Available |
| In-service Withdrawals (other than Unforeseeable Emergency) | Available (1) upon attainment of age 70 ½ or (2) if account balance is less than \$5000 (excluding rollovers), no contributions have been made during the previous two years, and no prior distributions have been taken (except for unforeseeable emergency withdrawals). |
| Benefit Commencement | You may commence distribution of benefits at any time following Severance from Employment, attaining age 70-1/2 or death. |
| Asset Transfers from the Plan to Another Employer's Plan | You may transfer your entire account balance to another eligible Deferred Compensation Plan of a governmental employer to the extent permitted by law and the terms of the receiving plan. |
| Normal Retirement Age | Age 70 1/2 unless the participant has elected an alternative Normal Retirement Age in writing delivered to the Employer. |

PLAN OVERVIEW

The remainder of this summary plan description is presented in question-and-answer format to help you better understand the Plan and how it works. Please refer to the Plan document for full details.

Eligibility

Q: *Who is eligible to participate in the Plan?*

A: All employees are eligible to participate in the Plan except leased employees, seasonal employees, temporary employees and independent contractors.

Enrollment

Q: *How do I enroll in the Plan?*

A: To enroll in the Plan, you must access Rhode Island's Retirement@Work website at www.retirementatwork.org/ri. At Retirement@Work you will make a contribution amount election and choose an investment sponsor(s) for your contributions. Once this is complete, open your 457(b) account(s) at the website(s) of the investment sponsor(s) you chose and make your fund allocation elections and assign your beneficiaries.

Alternatively, you may call the Retirement@Work phone number (855-200-0135) to enroll. If you enroll by phone, you must still open your 457(b) account(s), make your fund allocation elections, and assign your beneficiaries through the investment sponsor(s) you chose.

Q: *When will my enrollment become effective?*

A: Your enrollment will become effective in the month following the month that you enroll. For instance, if you enroll in the Plan in September, your first contribution will come from your October paycheck.

Q: *Do I have to re-enroll each year?*

A: No. Your enrollment and deferral elections will automatically continue for the following Plan year, unless you change or cancel your election or you are no longer eligible to participate in the Plan.

Contributions

Q: *How much can I contribute?*

A: Annual contribution limits are determined by the IRS and are posted on the deferred compensation page of the Office of Employee Benefits website, www.employeebenefits.ri.gov/benefits/active/supplement/deferredcomp.php. If you are over age 50 or within three years of retirement you may contribute additional amounts. See details below on the 3 year Catch-up Contributions and age 50 Catch-up Contributions.

Q: *May I defer accumulated sick pay, accumulated vacation pay, and back pay?*

A: No.

Q: *May I change the amount I choose to defer?*

A: Yes. You may elect to change the amount of your deferral through Rhode Island's Retirement@Work website, www.retirementatwork.org/ri. Alternatively, you may call the Retirement@Work phone number (855-200-0135) to change the amount of your deferrals. A change in your deferral amount will take effect according to the pay period calendar posted on Rhode Island's Retirement@Work website.

Q: *Can I stop my contributions to the Plan at any time?*

A: Yes, you can terminate your election at any time through Rhode Island's Retirement@Work website, www.retirementatwork.org/ri; however, based on the timing of the cancellation, your salary deferral changes may not take effect until the following pay period (as indicated on the pay period calendar posted on Rhode Island's Retirement@Work website).

Q: *What happens if I take a leave of absence?*

A: If you are on a paid leave of absence, your salary deferrals will continue. However, if your leave is unpaid, your deferrals will be suspended during your leave period and, if left unchanged, they will resume upon your return to paid employment with the State of Rhode Island.

Q: *Am I able to make special 3 year Catch-up Contributions?*

A: Yes, you may be eligible for an enhanced limit in the three calendar years prior to the calendar year in which you will attain the Plan's Normal Retirement Age. Additional contributions equal the lesser of twice the applicable annual limit or the annual normal limit plus any unused amounts from prior years. These catch-up contributions may not be made in the calendar year declared as the Normal Retirement Age. Please note, you may only use the greater of the age 50 catch-up or special 3 year catch-up, but not both in the same year.

Q: *Does the Plan provide for any age 50 catch-up contributions?*

A: Yes, if you are at least age 50 by the end of the calendar year, you are permitted to elect an additional amount of contributions, up to the maximum age 50 catch-up amount for the year. The maximum dollar amount of the age 50 catch-up contributions increases with inflation. It is determined by the IRS and posted on the deferred compensation page of the Office of Employee Benefits website, www.employeebenefits.ri.gov/benefits/active/supplement/deferredcomp.php. The age 50 catch-up does not apply for any year for which a higher limitation applies under the make-up contribution described above.

Q: *Does the Plan provide for catch-up contributions in the event of a Military Leave?*

A: Yes, the Plan does allow for catch-up contributions in the event of a Participant's qualified military service.

Q: *Does State of Rhode Island contribute to the Plan?*

A: No, State of Rhode Island does not contribute to the Plan. Contributions to the Plan are made entirely through employee salary deferrals.

Your Account

Q: *When do I become vested?*

A: You are always 100% vested in your account and any earnings thereon.

Receiving Payments from the Plan

Q: *When may I begin receiving payments from my account?*

A: You may commence distribution of benefits at any time following separation from service or attaining age 70-1/2.

Q: *How are my benefits taxed?*

A: Payments from the Plan are taxed as ordinary income and reported on Form 1099-R.

Q: *Do the Required Minimum Distribution rules apply to the Plan?*

A: Yes, you must begin receiving distributions from the Plan no later than April 1st of the calendar year following the calendar year you attain age 70-1/2 or retire/separate from service, whichever is later.

Q: *May I rollover my account to another plan?*

A: Yes. You can rollover your account after termination to an IRA, another governmental 457(b) plan, a qualified plan (such as a 401(k) plan), or a 403(b) plan to the extent permitted by law and the terms of the receiving plan.

Q: *May I transfer my account to another plan?*

A: You may transfer your entire account balance to another eligible Deferred Compensation Plan of a governmental employer to the extent permitted by law and the terms of the receiving plan.

Q: *Does the Plan provide for Unforeseen Emergency withdrawals?*

A: If you suffer an "unforeseeable emergency," you may make a written request for payment of all or a portion of your account balance in an amount not to exceed the amount that will satisfy your unforeseeable emergency. An unforeseeable emergency is a severe financial hardship resulting from your illness or accident (or that of your beneficiary), the loss of your (or your beneficiary's) property due to casualty, or other similar extraordinary and unforeseeable circumstances arising from events beyond your control (as determined based on all of the facts).

Beneficiary Designation & Death Benefits

Q: *How do I designate my beneficiary?*

A: You may designate any individual, trust, estate or other legal entity as your beneficiary by filing a beneficiary designation with your investment sponsor. Your beneficiary designation will not be effective until you file the designation with your investment sponsor. You may change your beneficiary designation any time prior to the commencement of benefits. If you do not elect a beneficiary then it will automatically defer to your estate. If you have questions regarding a beneficiary designation, contact your investment sponsor.

Q: *What happens to my account balance if I die?*

A: Distributions will be made to your designated Beneficiary as soon as administratively feasible following your death unless the Beneficiary selects an alternative distribution option that is made available by any other Investment Sponsor and selected for use under the Plan.

Claims and Appeals Procedures

Q: *Can I submit a claim for benefits under the Plan?*

A: Yes, you must file a claim for a benefit with your investment sponsor. If your claim is denied, you will be provided with notice of the denial within 90 days after your claim is received, unless this deadline is extended in order to fully process your claim. This notice will include the reason for the denial, the provisions of the Plan on which the denial is based, a description of any additional information or materials necessary to perfect the claim (and an explanation of why such information or material is necessary), and a description of the Plan's appeals procedures.

Q: *How do I appeal a denial of my claim?*

A: If the determination to deny your claim is not acceptable to you, you may file an appeal with the plan administrator. The appeal must be in writing and filed within 60 days after the date your claim for benefits is denied by the investment sponsor.

Additional Information

Q: *Who administers the Plan?*

A: State of Rhode Island is the plan administrator for the Plan.